

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2022 Second Round**

**December 28, 2022**

Step Up on 99, located at 1240 N Crystal Ave and 1280 N Crystal Ave in Fresno, requested and is being recommended for a reservation of \$2,500,000 in annual federal tax credits and \$5,778,856 in total state tax credits to finance the new construction & adaptive reuse of 62 units of housing serving families and special needs tenants with rents affordable to households earning 20%-60% of area median income (AMI). The project will be developed by Housing Authority of the City of Fresno, California and will be located in Senate District 14 and Assembly District 31.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers.

**Project Number** CA-22-050

**Project Name** Step Up on 99  
**Site Address:** 1240 N Crystal Ave and 1280 N Crystal Ave  
Fresno, CA 93728 County: Fresno  
**Census Tract:** 20.00

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total *</b>
Requested:	\$2,500,000	\$5,778,856
Recommended:	\$2,500,000	\$5,778,856

\* The applicant made an election not to sell (Certificate) any portion of the state credits.

**Applicant Information**

**Applicant:** Fresno Step Up at 99, LP  
**Contact:** Tyrone Roderick Williams  
**Address:** 1331 Fulton Street  
Fresno, CA 93721  
**Phone:** 559 443-8475  
**Email:** twilliams@fresnohousing.org

**General Partner(s) / Principal Owner(s):** Fresno Step Up at 99 AGP, LLC  
Silvercrest, Inc.  
**General Partner Type:** Nonprofit  
**Parent Company(ies):** Housing Authority of the City of Fresno, CA  
Silvercrest, Inc.  
**Developer:** Housing Authority of the City of Fresno, CA  
**Investor/Consultant:** California Housing Partnership Corporation  
**Management Agent(s):** Fresno Housing Authority

**Project Information**

**Construction Type:** New Construction & Adaptive Reuse  
**Total # Residential Buildings:** 3  
**Total # of Units:** 63  
**No. & % of Tax Credit Units:** 62 100%  
**Federal Set-Aside Elected:** 40%/60%  
**Federal Subsidy:** HUD Section 8 Project-based Vouchers (31 - 50%)

**Information**

Set-Aside: N/A  
 Housing Type: Special Needs Large Family  
 Type of Special Needs: Homeless  
 Average Targeted Affordability of Special Needs/SRO Project Units: 40.16%  
 % of Special Need Units: 31 units 50.00%  
 Geographic Area: Central Valley Region  
 CTCAC Project Analyst: Jonghyun(Tommy) Shim

**55-Year Use / Affordability**

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percent of Required Affordable Units</u>
At or Below 20% AMI:	12	15%
At or Below 30% AMI:	19	30%
At or Below 50% AMI:	18	25%
At or Below 60% AMI:	13	20%

**Unit Mix**

10 SRO/Studio Units  
 20 1-Bedroom Units  
 17 2-Bedroom Units  
16 3-Bedroom Units  
 63 Total Units

<u>Unit Type &amp; Number</u>	<u>2022 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
4 SRO/Studio	20%	\$273
2 1 Bedroom	20%	\$292
2 2 Bedrooms	20%	\$351
4 3 Bedrooms	20%	\$405
1 SRO/Studio	30%	\$409
8 1 Bedroom	30%	\$438
6 2 Bedrooms	30%	\$526
4 3 Bedrooms	30%	\$607
2 SRO/Studio	50%	\$547
8 1 Bedroom	50%	\$731
5 2 Bedrooms	50%	\$877
3 3 Bedrooms	50%	\$1,013
3 SRO/Studio	60%	\$547
2 1 Bedroom	60%	\$751
3 2 Bedrooms	60%	\$1,053
5 3 Bedrooms	60%	\$1,215
1 2 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$4,970,000
Construction Costs	\$22,000,000
Rehabilitation Costs	\$0
Construction Contingency	\$1,324,717
Relocation	\$225,000
Architectural/Engineering	\$850,000
Const. Interest, Perm. Financing	\$1,751,560
Legal Fees	\$190,000
Reserves	\$310,547
Other Costs	\$2,393,608
Developer Fee	\$2,200,000
Commercial Costs	\$0
<b>Total</b>	<b>\$36,215,432</b>

**Residential**

Construction Cost Per Square Foot:	\$464
Per Unit Cost:	\$574,848
True Cash Per Unit Cost*:	\$574,848

**Construction Financing**

Source	Amount
U.S. Bank	\$23,255,359
HCD Homekey	\$5,259,125
City of Fresno	\$3,500,000
Costs Deferred Until Conversion	\$1,707,967
Tax Credit Equity	\$2,492,981

**Permanent Financing**

Source	Amount
U.S. Bank	\$659,000
HCD Homekey	\$5,259,125
City of Fresno	\$3,500,000
Tax Credit Equity	\$26,797,307
<b>TOTAL</b>	<b>\$36,215,432</b>

\*Less Donated Land, Fee Waivers, Seller Carryback Loans, and Deferred Developer Fee

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$21,367,522
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$27,777,779
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,500,000
Total State Credit:	\$5,778,856
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	California Housing Partnership Corporation
Federal Tax Credit Factor:	\$0.89300
State Tax Credit Factor:	\$0.77393

The “as if vacant” land value and the existing improvement value established at application, as well as the eligible basis amount derived from those values, shall not increase during all subsequent reviews including the placed in service review, for the purpose of determining the final award of Tax Credits, unless a waiver has been granted for a purchase price not to exceed the sum of third party debt that will be assumed or paid off. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

**Tie-Breaker Information**

First:	<b>Special Needs</b>
Self-Score Final:	<b>51.453%</b>
CTCAC Final:	<b>53.157%</b>

**Significant Information / Additional Conditions:** None.

**Resyndication and Resyndication Transfer Event:** None.

**Local Reviewing Agency**

The Local Reviewing Agency, City of Fresno, has completed a site review of this project and strongly supports this project.

**Standard Conditions**

The applicant must submit all documentation required for a Carryover Allocation and any Readiness to Proceed Requirements elected. Failure to provide the documentation at the time required may result in rescission of the Credit reservation and cancellation of a carryover allocation.

State tax credit recipients are limited to cash distributions from project operations pursuant to California Revenue and Taxation Code Section 12206(d). By accepting the tax credit reservation, the applicant/owner is agreeing to comply with the statutory limitations and requirements.

CTCAC makes the preliminary reservation only for the project specified above in the form presented, and involving the parties referred to in the application. No changes in the development team or the project as presented will be permitted without the express approval of CTCAC.

The applicant must pay CTCAC a performance deposit and allocation fee calculated in accordance with regulation. Additionally, CTCAC requires the project owner to pay a monitoring fee before issuance of tax forms.

As project costs are preliminary estimates only, staff recommends that a reservation be made in the amount of federal credit and state credit shown above on condition that the final project costs be supported by itemized lender approved costs and certified costs after the buildings are placed in service.

All unexpended funds in reserve accounts established for the project must remain with the project to be used for the benefit of the property and/or its residents, except for the portion of any accounts funded with deferred developer fees.

All fees charged to the project must be within CTCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

If the applicant has requested the use of a CUAC utility allowance, CTCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from CTCAC, this project is not eligible to use a utility allowance based on the CUAC.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by CTCAC at placed-in-service.

Credit awards are contingent upon applicant's acceptance of any revised total project cost, qualified basis and tax credit amount determined by CTCAC in its final feasibility analysis.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received points for sustainable building methods (energy efficiency) must submit the certification required by Section 10325(c)(5) at project completion. Applicants that received increases (exceptions to limits) in the threshold basis limit under Section 10327(c)(5) must submit the certification required by Section 10322(i)(2) at project completion.

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
Within ¼ mile of transit, service every 30 min, 25 units/acre density	7	7	7
Within ½ mile of public park or community center open to general public	3	3	3
Within 1½ miles of a full-scale grocery/supermarket of at least 25,000 sf	3	3	3
Within ¾ mile of a public elementary school	2	2	2
Within ½ mile of medical clinic or hospital	3	3	3
In-unit high speed internet service	2	2	2
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES</b>			
Service Coordinator, minimum ratio of 1 FTE to 600 bedrooms	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 60 hrs/yr instruction	5	5	5
<b>SPECIAL NEEDS HOUSING TYPE</b>			
Service Coordinator/Other Services Specialist, min. ratio 1 FTE to 360 bdrms	5	5	5
Health/behavioral services provided by licensed org. or individual	5	5	5
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>0</b>
Revitalization Area Project	2	2	0
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>107</b>

**Please Note:** If more than the maximum Site Amenity points were requested, not all amenities may have been scored and/or verified.

**DO NOT RELY ON SCORING IN THIS COMPETITIVE CYCLE FOR FUTURE APPLICATIONS. ALL RE-APPLICATIONS ARE REVIEWED WITHOUT RELIANCE ON PAST SCORING.**